



Rule Up For Final Action

Proposed Amendment to
WAC 230-40-120
Limits on wagers in card games.

ITEM 13(a) on the March 9, 2007, Commission Meeting Agenda. Statutory Authority 9.46.070

Who proposed the rule change?

Andrew Kimmerle, poker player.

Proposed Change

The petitioner requests that poker wagering limits be increased from \$25 to \$40.

Attachments:

Document titled “Arguments about the poker limit petition” which Max Faulkner handed to staff at the February 2007 Commission meeting (blue paper).

Memo regarding the Legislative Record dated January 24, 2007.

Letter from Mr. Kimmerlee dated January 31, 2007.

Petition for Rule Change dated November 30, 2006.

Proposed amendment to WAC 230-40-120.

82 signatures from poker players supporting Mr. Kimmerle’s petition.

RCW 9.46.010

Minutes from the October 2005, and January 2006, Commission meetings (Blue paper).

History of Rule

The wagering limit for poker is \$25. Poker wagering limits were increased from \$10 to \$25 in May 2000.

Currently, the total amount a player can wager in a poker game with five rounds is \$500 per hand.

Current rules allow a maximum of four wagers/raises per round, and five wagering rounds ($\$25 \times 4 \times 5 = \500).

The petitioner requests that poker wagering limits be increased from \$25 to \$40. The change would increase the total amount a player could wager in a poker game, with five rounds per hand, from \$500 to \$800. For example, the maximum wager would occur in poker games which have four wagers/raises per round, and five wagering rounds ($\$40 \times 4 \times 5 = \800).

For Texas Hold’em games, there are four betting rounds. Licensees usually offer games with \$4/\$8 and \$8/\$16 betting structures. Currently, under typical “house rules”, the standard highest betting structure would be \$12/\$24.

1st Round: Dealt cards: \$12 wager, \$12 raise, \$12 raise, \$12 raise = \$48

2nd Round: Flop: \$12 wager, \$12 raise, \$12 raise, \$12 raise = \$48

3rd Round: Turn: \$24 wager, \$24 raise, \$24 raise, \$24 raise = \$96

4th Round: River: \$24 wager, \$24 raise, \$24 raise, \$24 raise = \$96

Texas Hold’em maximum wager: $\$48 + \$48 + \$96 + \$96 = \$288$

Although the \$12/\$24 scenario is the highest betting structure under typical “house rules”, licensees could, in theory, have \$25 wagers/raises in each round for a total of \$500 ($\$25 \times 4 \times 5$).

The petitioner is a poker player and is requesting a \$40 wager limit. Under his proposal, card rooms could offer a \$15/\$30 or \$20/\$40 betting structure because they would not be exceeding the \$40 betting limit.

The increase would affect a Texas Hold’em game as follows:

1st Round: Dealt cards: \$20 wager, \$20 raise, \$20 raise, \$20 raise = \$80

2nd Round: Flop: \$20 wager, \$20 raise, \$20 raise, \$20 raise = \$80

3rd Round: Turn: \$40 wager, \$40 raise, \$40 raise, \$40 raise = \$160

4th Round: River: \$40 wager, \$40 raise, \$40 raise, \$40 raise = \$160
Texas Hold'em maximum wager: \$80 + \$80 + \$160 + \$160 = \$480

The limits at tribal casinos are \$500 per wager. Staff checked with several tribal casinos and were told there isn't a typical betting structure for Texas Hold'em games played at tribal casinos. Wagering limits ranged from \$20/\$40 to the maximum of \$500.

In October 2005, the Commission filed a petition submitted by the Recreational Gaming Association requesting poker wagering limits be increased from \$25 to \$100. The change would have significantly raised the stakes in poker games. For example, a poker player in a game with five wagering rounds, and four wagers/raises per wagering round, could bet as much as \$2,000 (\$100 x 5 x 4). The Commission denied the petitioner's request at the January 2006, Commission meeting. See attached excerpts from the October 2005, and January 2006, Commission meeting minutes.

Impact of the Proposed Change

A wager increase would not take additional staff time to regulate. Staff would continue to ensure compliance through routine regulatory visits. If licensees exceeded the \$40 wager limit, staff would follow-up and investigate the matter.

Regulatory Impact

None.

Resource Impacts

Minimal.

Policy Consideration

May be perceived as an expansion of gambling.

Statements Supporting the Proposed Rule Change

See attached petitions from 82 players.

At the January 2007, Commission meeting:

John Lowman, licensed distributor representative, testified he thought this would help businesses that were struggling.

George Teeney, house-banked card room licensee representing himself, thought this was a very minimum request, compared with the Spokane compact, which has greater increases.

At the February 2007 Commission meeting:

1) Max Faulkner, Recreational Gaming Association, testified that raising the limit would not create professional gamblers, and this would not create felonies. See attached document titled "Arguments about the poker limit petition" Mr. Faulkner handed to staff at the meeting (blue paper).

2) Dolores Chiechi, Recreational Gaming Association, testified in support of the petition.

3) Gary Murray, Recreational Gaming Association, testified that he feels the increase is going along with inflation, and keeping up with the times.

4) George Teeney testified that operators do not make any more money from increasing the limit.

5) Chris Keely testified on behalf of himself, and personally likes the higher limit games.

Statements Opposing the Proposed Rule Change

None.

Licensees Directly Impacted By the Change
House-banked card room licensees that offer poker games, Class D, E and F card rooms.
Staff Recommendation
This is a policy decision and the Commission should consider whether or not the proposal is consistent with the legislative intent expressed in RCW 9.46.010 (attached).
Proposed Effective Date for Rule Change
The petitioner requests the change become effective 31 days from filing.